



September 26, 2007

Rafael/Richard: Thanks for getting back to me this morning on the upcoming Priority Panel meeting and the Region 8 sites that may be presented. Here are some additional thoughts and information for you.

- 1) **Upper Ten Mile Creek:** We agreed that this site is not “ripe” and it will be presented at the second FY08 meeting.
- 2) **Arsenic Trioxide:** Based on your input Russ and I agree that it makes more sense to present this site at the second FY08 meeting. By then we will have Susan’s decision and the ESD’s will be completed. At this point the design work is 90% complete for the initial 60 residences that will be connected to the public water supply. This is the part of the project that has gone through a VE-like review by the ACE. We see no value in having the ACE revisit this work, but we agree that the remaining 300+ residences ought to go through the VE screen as described in Susan’s letter to Sen. Dorgan. The state will receive additional Pipeline funds in FY08 to complete the RD for the additional residences pending Susan’s decision on the extent of the RA. There are two ESD’s in the works, the first will be completed in a matter of weeks and it will cover the transition of the bottled water program from removal to remedial authority. The second ESD will be completed before the end of this calendar year and will serve to memorialize the work already completed in Hankinson and Wyndmere, and the decision on the rural users.
- 3) **Town of Troy (Libby Asbestos OU7):** I am very concerned at the suggestion that funding for this OU might not be handled through the normal funding process which requires ranking by the Priority Panel. I went back to the powerpoint I presented at last fall’s Priority Panel meeting in Kansas City. Out of 44 slides Troy is mentioned only on the last slide in the following bullet: “RI Investigations (Mine, Troy, Processing Areas, Libby) \$2.75M”. Prior to this year we had not done any site characterization work at this OU and that is what the bullet referred to. The Response Action Form that we submitted last fall had this to say: “The Removal work since 2003 has focused on Operable Unit 4 (OU4), which comprises the majority of the residential and commercial properties in Lincoln County and in and around the City of Libby. *This priority panel request continues to address this OU*, but there is an on-going question as to the need to initiate Response Actions in Troy as well. It is clear from the materials we prepared and presented last fall that the long-term funding plan which we were seeking to extend was designed to address OU4 only. At that time we requested \$24M/year for OU4 alone, but the decision was to provide us \$17M/year for that OU. Our cost estimate for OU7 for FY08 is \$8M. This is in addition to the \$17M we expect to get for OU4. Please advise me as soon as possible if we will not be permitted to present OU7 to the Priority Panel next month.